



REPORT to the MAYOR and MEMBERS of the CITY COUNCIL
From the CITY MANAGER

DATE: April 22, 2025

SUBJECT: RESOLUTION APPROVING THE FIRST AMENDMENT
TO THE 2023 PROJECT LABOR AGREEMENT ("PLA")
BETWEEN THE CITY OF LA MESA AND THE SAN
DIEGO BUILDING AND CONSTRUCTION TRADES
COUNCIL AND SIGNATORY CRAFT UNIONS
("TRADES COUNCIL AND UNIONS")

ISSUING DEPARTMENT: Public Works

SUMMARY:

Issues:

Should the City Council adopt the attached draft resolution approving the First Amendment to the PLA?

Recommendation:

That the City Council adopt the attached draft resolution approving the First Amendment to the PLA, subject to the final review, revision and approval of the City Attorney.

Fiscal Impact:

There is no direct fiscal impact related to this action.

City's Strategic Goals:

- Ensure a strong financial outlook through careful planning, sustainable service levels, and fiscal sustainability.
- Promote a high quality of life that current and future generations can afford to call home.
- Invest in infrastructure to serve the needs of the community.

BACKGROUND:

In September 2023, the City executed the PLA for the purpose of timely, efficient, economical and successful completion of public works projects valued over \$1 million. The PLA has been implemented on several projects including last year's street resurfacing and the soon-to-be completed 69th and Boulevard storm drain project.

Pursuant to Section 20.1(b) of the PLA, if any city with a population not exceeding 100,000 executes a project labor agreement with the Trades Council and Unions, the City Council, in its sole and exclusive discretion, may amend the PLA to include terms, provisions and conditions of any such agreement(s) if it finds it beneficial for the City of La Mesa to do so. In 2024, National City executed a project labor agreement with the Trades Council and Unions containing certain provisions (as noted herein) that staff has determined to be beneficial to the City of La Mesa.

DISCUSSION:

The following proposed amendments to the PLA, derived from the National City project labor agreement, would benefit the City of La Mesa by improving project delivery, increasing bidding opportunities and simplifying contract administration:

- a) Add the following provisions to Section 3.2 of the PLA entitled "Exclusions":

3.2 (h) Contracts for which there are less than three (3) unrelated, qualified bidders for a Covered Contract, in which case the Public Agency reserves the right to reject all bids and readvertise the contract not as a Covered Project or Covered Contract and not subject to this PLA.

3.2 (k)(1) If the lowest apparent responsive and responsible bid is ten percent (10%) or greater than the engineer's estimate, in which case the City reserves the right to reject all bids and readvertise the contract not as a Covered Project or Covered Contract and not subject to this PLA.

3.2 (m) All off-site manufacturing, fabrication, maintenance, and handling of materials, equipment, or machinery.

3.2 (n) All operation of equipment and machinery owned or controlled by the Public Agency.

NOTE:

Sections 3.2 (h) and (k)(1) will provide increased flexibility for the City Council to bid construction contracts in the best economic interest of the City.

- b) Amend Section 3.3 of the PLA entitled “Awarding of Contracts” to read as follows:

3.3 (b) Each Union shall enroll in the electronic bidding system used at the time of bidding (currently PlanetBids) and provide the listing information to all Union contractors able to provide services to the trades required for the project. Each Union contractor may provide bids to each prime bidding contractor in accordance with California law and the bidding documents. Union prime contractors may bid the project in accordance with California law and the bidding documents.

NOTE:

The PLA has a cumbersome process related to advertising projects that has been found to consume significant staff time. This change would shift the burden of informing union contractors of projects being advertised for bid from staff to the union contractors. City public works projects that are not PLA projects typically place this responsibility on the private contractors, and the inclusion of this clause simplifies the advertisement process thereby reducing staff time and involvement.

- c) Add a new section as Section 4.5 of the PLA to be entitled “Employment of Local Residents” as follows (and renumber accordingly):

4.5 (a) In recognition of the Public Agency’s mission to service its residents, the Unions and Contractors agree that, to the extent allowed by law, and as long as they possess the requisite skills and qualifications, the Unions shall first refer for Covered Projects permanent residents of zip codes 91941 and 91942 (“qualifying zip codes”) at the time of initial employment on a Covered Project or Veterans residing anywhere.

4.5 (b) To facilitate the dispatch of Local Residents, as well as all Contractor requests for referral and dispatch of workers from the applicable Union referral system, the Parties will develop and utilize a Workforce Dispatch Request Form for Covered Projects.

4.5 (c) It is the Parties’ goal that at least 80% of the total craft hours to be performed on a Covered Project shall be performed by residents of San Diego

County, graduates of, or recipients of a GED from a school in San Diego County residing anywhere, or Veterans residing anywhere, of which 5% should be from qualifying zip codes or graduates of, or recipients of a GED from all La Mesa schools residing anywhere, or Veterans residing anywhere.

NOTE:

This amendment enhances employment opportunities for La Mesa Residents.

- d) Add the following provisions to renumbered Section 4.6 of the PLA entitled “Core Employees” (formerly Section 4.5):

4.6 (a) The Parties recognize the Public Agency’s interest in promoting competition and inclusion of disadvantaged business enterprises (DBEs) which may not be a signatory to a current Schedule A. For purposes of this Section, DBEs shall be defined by the United States Department of Transportation, as that definition may be amended from time to time. (See, e.g., <https://www.transportation.gov/civil-rights/disadvantaged-business-enterprise/definition-disadvantaged-business-enterprise>; see also Appendix E to Part 26 of 49 CFR Part 26.) In order to promote participation and attract DBEs to work under this Agreement, and subject to the limitations set forth below, each Contractor that is a DBE may employ up to five (5) Core Employees per craft on a Covered Project, alternating with Core Employees and Union referrals (first a Core Employee, then a referral from the appropriate union hiring hall, then a Core Employee, and so on.) After five (5) Core Employees have been employed, all additional employees in the affected trade or craft shall be requested and referred from the appropriate Union hiring hall.

The preceding Core Employee hiring procedures for DBEs are subject to the following limitation:

- (1) Each Contractor is limited to utilizing the preceding Core Employee hiring procedure on one Covered Project.

NOTE:

This amendment enhances the City’s interests in promoting competition and inclusion or disadvantaged business enterprises (as defined by the United States Department of Transportation).

- e) Amend Section 6.4 of the PLA entitled “Compliance with Prevailing Wage Laws” as follows:

6.4 All complaints regarding possible prevailing wage violations may be referred to the Project Labor Coordinator Labor Compliance Program, if any, for referral to the Department of Industrial Relations, State Labor Commissioner.

NOTE:

This amendment would serve to streamline a convoluted process that involves significant staff resources and time.

- f) Amend Section 21.2 of the PLA entitled “Turnover and Final Acceptance of Completed Work” as follows:

21.2 Turnover and final acceptance of completed work shall be in accordance with the requirement of the prime contract and Public Agency policy. As areas and systems of the Covered Project are inspected and construction-tested and/or approved and accepted by the Public Agency or third parties with approval of the Public Agency, the PLA shall have no further force or effect on such items or areas, except when the Contractor is directed by the Public Agency to engage in repairs, modifications or warranty work required by its Contract(s) with the Public Agency or the Prime Contractor.

NOTE:

This amendment would serve to clarify the duties and obligations of the parties related to Turnover and Final Acceptance of Completed Work.

The City Manager, City Attorney and Public Works Director met with the San Diego Building and Construction Trades Council representatives on March 26, 2025, to inform them of the above-referenced changes to the PLA presented for City Council review and possible adoption.

CONCLUSION:

Staff recommends the City Council adopt the attached draft resolution approving the First Amendment to the PLA, subject to the final review, revision and approval of the City Attorney.

Reviewed by:



Greg Humora
City Manager

Respectfully submitted by:



Michael Throne, PE
Director of Public Works

Attachments: A. Resolution approving the First Amendment to the PLA
B. Exhibit A to Resolution: PLA (strike-out format denoting amendments)